Government of
Saskatchewan

# Annual Report
# 1991-92

## The Saskatchewan Beef Stabilization Board

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# Beef Stabilization Board
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# 1991-92

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Saskatchewan
Beef
Stabilization
Board

The Imperial Centre
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## Saskatchewan Beef Stabilization Board

To Her Honour,
The Honourable Sylvia O. Fedoruk, O.C., S.O.M.
Lieutenant Governor
Province of Saskatchewan

Madam:

I have the honour to submit herewith the Annual Report of the Saskatchewan Beef Stabilization Board for the twelve months ending March 31, 1992.

I have the honour to be, Madam,
Your obedient servant,

Bernhard H. Wiens,
Minister of Agriculture and Food

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## Saskatchewan Beef Stabilization Board

Honourable Bernhard H. Wiens
Minister of Agriculture and Food
Province of Saskatchewan

Sir:

I am pleased to present herewith the Annual Report of the Saskatchewan Beef Stabilization Board for the twelve months ending March 31, 1992.

Lynn Grant

Respectfully submitted,
Lynn Grant, Chairman
Saskatchewan Beef Stabilization Board

Saskatchewan
Beef
Stabilization
Board

# Board Personnel 1991-92

## Board of Directors

| | |
|---|---|
| Mr. Lynn Grant, Chairman | Val Marie |
| Mr. Brian Perkins | Saskatoon |
| Mr. Keith Howse | Pangman |
| Mr. Jim McGregor | Senlac |
| Ms. Cathy Warnyca | Montmartre |
| Ms. Kathy Martin | Silton |
| Mr. Gary Stevenson | Melfort |

**Staff**

All Board staff were transferred to the Tripartite Beef Administration Board effective September 1, 1990.

Saskatchewan
Beef
Stabilization
Board

# 1991-1992 Report

This report covers the 1991-92 fiscal year of operation of the Saskatchewan Beef Stabilization Board.

**Termination of the Plan**

In January 1989, the Province of Saskatchewan announced they would be entering the National Tripartite Stabilization Program for Beef and that the existing Saskatchewan Beef Stabilization program would be phased out. The Cow Calf to Finish Market Insurance Plan was phased out on March 31, 1990 and the Feeder Finish Market Insurance Plan was phased out on September 30, 1989.

**Finalization**

The finalization plan for the Saskatchewan Beef Stabilization Program called for the summarization of financial transactions within each file, evaluating options and taking the appropriate action. The Board established a finalization committee to review all outstanding accounts receivable. The review was completed by March 1991.

The Board continues to pursue the collection of outstanding accounts receivable.

**Economic Study**

The University of Saskatchewan Agriculture Economics Department completed its study in June of 1991 on the impact of the red meat industry on the economy of Saskatchewan. The study was carried out in conjunction with the Saskatchewan Pork Producers Marketing Board and includes a section on the economics of scale and the cost of production for the beef and pork industries.

Saskatchewan
Beef
Stabilization
Board

# Saskatchewan
# Beef Stabilization Board

## Financial Statements
### For the Year ended March 31, 1992

Office of the Provincial Auditor
Regina, Saskatchewan

Saskatchewan
Beef
Stabilization
Board

# Auditor's Report

To the members of the Legislative Assembly of Saskatchewan.

I have audited the balance sheet of the Saskatchewan Beef Stabilization Board as at March 31, 1992 and the statements of revenue, expenditure and surplus for the year then ended. These financial statements are the responsibility of the Board's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Board as at March 31, 1992 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.

W.K. Strelioff

Regina, Saskatchewan
May 1, 1992

W.K. Strelioff, C.A.,
Provincial Auditor

Statement 1

# Saskatchewan Beef Stabilization Board
## Balance Sheet

## March 31

### ASSETS

| | 1992 | 1991 |
|---|---|---|
| Current assets: | | |
| Cash | $178,557 | $ 2,589 |
| Accounts receivable: | | |
| - Accrued interest | 831 | 157 |
| - Due from Tripartite Beef Administration Board | - | 474,631 |
| - Miscellaneous | - | 3,170 |
| | 179,388 | 480,547 |
| Producers' trust fund assets: | | |
| Cash | - | 21,049 |
| Accounts receivable (net of allowance) | - | 458 |
| Due to Cow Calf to Finish Market Insurance Plan | - | 1,533 |
| | - | 23,040 |
| | $179,388 | $503,587 |

### LIABILITIES AND EQUITY

| | | |
|---|---|---|
| Current liabilities: | | |
| Accounts payable | $ 7,694 | $ 12,842 |
| Due to Tripartite Beef Administration Board | 113,452 | - |
| | 121,146 | 12,842 |
| Producers' trust fund liabilities: | | |
| Due to Feeder Finish Market Insurance Plan | - | 4,390 |
| Other | - | 18,650 |
| | - | 23,040 |
| Equity: | | |
| Surplus (Statement 2) | 58,242 | 467,705 |
| | $179,388 | $503,587 |

(See accompanying notes to the financial statements)

Statement 2

# Saskatchewan Beef Stabilization Board
## Statement of Revenue, Expenditure and Surplus

## For The Year Ended March 31

| | 1992 | 1991 |
|---|---|---|
| Revenue: | | |
| Department of Agriculture and Food - administration grant (Note 5) | $ 147,437 | $ 390,504 |
| Interest | 2,386 | 159,721 |
| Miscellaneous | - | 24,381 |
| | 149,823 | 574,606 |
| Expenditure: | | |
| Salaries and employee benefits | 4,636 | 510,351 |
| Office supplies | - | 52,792 |
| Computer services | - | 42,935 |
| Communications | - | 38,824 |
| Investigations | - | 34,845 |
| Accounting and legal | 75,010 | 25,999 |
| Collection agency | 5,983 | 2,388 |
| Computer maintenance | - | 17,331 |
| Directors' honoraria and travel | 4,563 | 13,875 |
| Travel and sustenance | - | 11,222 |
| Bank charges | 810 | 6,403 |
| Consultant | - | 4,910 |
| Advertising and promotion | - | 4,511 |
| Amortization and depreciation | - | 4,096 |
| Bad debt expense | 579 | 4,123 |
| Repairs and maintenance | - | 3,297 |
| Miscellaneous | - | 2,512 |
| Delivery | - | 2,161 |
| Loss on disposal | - | 1,365 |
| Dues and subscriptions | - | 1,215 |
| Compliance per diem and travel | - | 908 |
| | 91,581 | 786,063 |
| Excess of revenue over expenditure (expenditure over revenue) | 58,242 | (211,457) |
| Surplus, beginning of year | 467,705 | 3,077,518 |
| | 525,947 | 2,866,061 |
| Payment to Consolidated Fund (Note 4) | (467,705) | (2,398,356) |
| Surplus, end of year (Statement 1) | $ 58,242 | $ 467,705 |

(See accompanying notes to the financial statements)

# Saskatchewan Beef Stabilization Board
# Notes to the Financial Statements

## March 31, 1992

1. **Significant Accounting Policies**
   Accrual Basis of Accounting
   These financial statements have been prepared in accordance with the accrual basis of accounting.

   Producers' Trust Fund
   The Producers' Trust Fund was established to collect funds from the sale of producers' cattle to the packing plants and to segregate these funds into amounts held for producers, truckers/assemblers, insurance, stabilization levies and marketing levies and to make payments or transfers to these groups as appropriate.

2. **Incorporation**
   The Board was established under The Beef Stabilization Act 1980-81, C.B-0.1 and commenced operations on January 1, 1982. The Board's main function is to market beef on behalf of producers and to administer the Cow Calf to Finish Market Insurance Plan and the Feeder Finish Market Insurance Plan.

   The Board has also undertaken the delivery of the Tripartite Beef and Honey Stabilization Programs. This function was transferred to the Tripartite Beef Administration Board effective September 1, 1990.

3. **Cow Calf to Finish Market Insurance Plan and Feeder Finish Market Insurance Plan**
   The Board administers the above plans which form part of The Saskatchewan Agricultural Returns Stabilization Fund established under Section 5 of The Saskatchewan Agricultural Returns Stabilization Act. Stabilization transactions are therefore included in the financial statements of The Saskatchewan Agricultural Returns Stabilization Fund.

   The Feeder Finish Market Insurance Plan was discontinued effective October 1, 1989 and the Cow Calf to Finish Market Insurance Plan was discontinued effective March 31, 1990.

4. **Payment to the Consolidated Fund**
   The Board paid the Consolidated Fund $2,398,356 in 1990/91 and $467,705 in 1991/92 which represents a partial payment of the surplus remaining after the Feeder Finish Market Insurance Plan and the Cow Calf to Finish Market Insurance Plan were discontinued.

5. **Prior Period Adjustment**
   The financial statements for the year ended March 31, 1991 have been restated due to an error in recording administration grant revenue from the Department of Agriculture and Food. The statement of Revenue, Expenditure and Surplus has been restated for 1991 to reduce both the administration grant and the excess of revenue over expenditure by $227,429 . In addition, the surplus at the beginning of the year has been increased by $227,429. There were no changes to the surplus as at the end of the year ended March 31, 1991 or to the balance sheet for 1991.

6. **Related Party Transactions**
   (a) Included in these financial statements are income and expense amounts resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan-controlled departments, agencies, and corporations with which the Board is related.

   Account balances resulting from these transactions are included in the Balance Sheet and are settled on normal trade terms.

   (b) Costs borne by other agencies
   The Board has not been charged with certain occupancy costs and no provision for these costs is shown in the financial statements.

7. **Contingency**
   A possibility exists that the Saskatchewan Beef Stabilization Board will be named as a defendant in a law suit. The outcome of this possible law suit is not determinable at this time. Any payment arising from this possible law suit may be a charge on operations of the Board in the year in which it is settled.

8. **Significant Event**
   The Tripartite Beef Administration Board was established under the provisions of the Farm Financial Stabilization Act 1989-90 C.F-8.001 to administer the National Tripartite Honey and Beef Stabilization Programs as of September 1, 1990. Effective September 1, 1990 The Saskatchewan Beef Stabilization Board transferred all its fixed assets in the amount of $77,723 and contractual obligations of the Tripartite Stabilization Trust Fund to The Tripartite Beef Administration Board.